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FISCAL IMPACT STATEMENT

LS 6961

BILL NUMBER: HB 1285

NOTE PREPARED: Feb 19, 2004

BILL AMENDED:

SUBJECT: Early Withdrawal of PERF Contributions.

FIRST AUTHOR: Rep. Goodin

FIRST SPONSOR: Sen. Harrison

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill authorizes a member of the Public Employees' Retirement Fund (PERF), before retirement, to withdraw voluntary contributions to the member's annuity savings account when the member demonstrates an immediate and great financial need.

Effective Date: July 1, 2004.

Explanation of State Expenditures: There likely will be computer and reprogramming changes necessary to accommodate the provisions of this bill. The extent of these costs are not known. In addition, before initiating any action to implement this proposal, the PERF Board of Trustees must receive assurances from the Internal Revenue Service (IRS) that the provisions do not violate any federal rules or regulations. The fund affected is the Non-budget Administrative Fund at PERF.

Background Information: A refund mechanism is in place at PERF for those employees who leave service before vesting (ten years) whereby the entire amount of the employee contribution is refunded. However, PERF currently does not have a mechanism which allows a withdrawal of contributions while the member continues to work and make the mandatory contributions as required by law.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Public Employees' Retirement Fund.

Local Agencies Affected:

Information Sources:

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